

## RESOLUTION 08-42

### RESOLUTION CONCERNING THE PURCHASE OF AGENCY BONDS BY THE AGENCY

WHEREAS, as a result of recent disruptions in the bond and capital markets the California Housing Finance Agency (the "Agency") needs to retire and restructure its existing variable rate bond indebtedness that has reset at high rates of interest, as well as its bonds that have been put to liquidity providers as bank bonds; and

WHEREAS, the Board of Directors has previously enacted Resolution 08-36, which, authorizes the Agency to enter into short-term or long term credit facilities for the purpose of enabling the Agency to restructure its existing debt and related purposes; and

WHEREAS, the Agency may also need to use its existing available moneys to purchase and/or retire Agency bonds to enable the Agency to accomplish the needed restructuring; and

WHEREAS, California Health and Safety Code Section 51003 authorizes the Agency, subject to any agreement with holders of particular bonds, to invest moneys in the California Housing Finance Fund in obligations as are permitted by resolution of this Board; and

WHEREAS, the Board of Directors wishes to specifically authorize the Executive Director and other officers to use available Agency moneys to purchase Agency bonds for the purpose of restructuring Agency debt and related purposes;

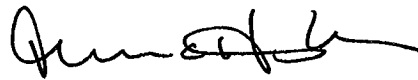
NOW, THEREFORE, BE IT RESOLVED by the Board of Directors as follows:

1. The Executive Director and the other officers of the Agency are hereby authorized to use available Agency moneys to purchase Agency bonds to enable the Agency to restructure its debt and for related purposes. Any Agency bonds so purchased shall remain outstanding for all purposes except to the extent that the Executive Director or the other officers of the Agency expressly provide for the retirement or redemption, and cancellation, of such bonds. Any Agency bonds so purchased may be purchased and resold, in each case on such terms as may be determined by the Executive Director and the other officers of the Agency in the best interests of the Agency. The Agency may establish any account or accounts as may be necessary or desirable in connection with the purchase such bonds.

2. The Executive Director shall report to the Board at subsequent meetings regarding the purchase and sale of Agency bonds pursuant to this Resolution.

I hereby certify that this is a true and correct copy of Resolution 08-42 adopted at a duly constituted meeting of the Board of Directors of the Agency held on November 13, 2008, at Sacramento, California.

ATTEST:



Secretary